

AUTHORIZING RESOLUTION
(Finger Lakes Railway Corp. Project)

A regular meeting of the Cayuga County Industrial Development Agency was convened in public session on Wednesday December 15, 2015 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 12/2015- 1

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE UNDERTAKING OF A MODIFICATION TO A CERTAIN LEASE AGREEMENT (AS FURTHER DESCRIBED HEREIN) WITH FINGER LAKES RAILWAY CORP. (THE "COMPANY") ALONG WITH THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 688 of the Laws of 1970 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, reference is made to that certain Lease Agreement, dated as of July 21, 1995 (the "Lease") entered into by the Agency and Finger Lakes Railway Corp. (the "Company") with respect to a certain Project (the "Project", as defined within the Lease) and Railroad Facility (as defined within the Lease and within Section 854(11) of the Act); and

WHEREAS, pursuant to Section 5.2(d) of the Lease, the Agency previously transmitted written notice of intent to renegotiate terms of the Lease in connection with a possible second renewal term (the "Renewal Term") that would commence on July 22, 2015, however in the absence of agreement on new terms before the end of the first renewal term (as defined within the Lease), the leasehold estate of the Lease was scheduled to terminate at the end of the first renewal term (at 11:59 p.m. on July 21, 2015), however, the Agency and Company previously tolled the termination of the Lease to December 31, 2015; and

WHEREAS, in furtherance of granting approval for the Renewal Term, the Agency and Company contemplate undertaking modifications to the Lease (collectively, the "Modification"), whereby the parties will converting the "sale-leaseback" structure undertaken for the Project pursuant to the Lease to a contemporary straight-lease transaction (as defined within Section 854(15) of the Act) that will include updated insurance coverages, indemnities, Agency compliance provisions, environmental covenants, rail crossing and occupation requirements, job reporting, and other provisions to accommodate contemporary Agency requirements, along with enhanced requirements for the payments in lieu of taxes ("PILOT Payments"); and

WHEREAS, in furtherance of the foregoing, the Agency desires to authorize (i) the granting of the Renewal Term through the Modification; and (ii) the execution and delivery of a Quitclaim Deed, Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Subject to (i) the Company executing a Leaseback Agreement (with such terms as set before this meeting), (ii) the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, and (iii) the receipt of all necessary approvals or waivers required pursuant to Section 854(11) of the Act, the Agency hereby authorizes the Modification and the grant of the Renewal Term. The Chairman, Vice Chairman and/or Executive Director/CEO of the Agency are authorized to finalize for execution and delivery a Quitclaim Deed, Lease Agreement, Leaseback Agreement, and PILOT Agreement, along with related documents (the “Modification Documents”).

Section 2. The Chairman, Vice Chairman and CEO/Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Modification Documents with such changes as shall be approved by the Chairman, Vice Chairman, the CEO/Executive Director and counsel to the Agency upon execution.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. These Resolutions shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Paul Lattimore	[x]	[]	[]	[]
Carol Contiguglia	[x]	[]	[]	[]
John Latanyshyn	[x]	[]	[]	[]
Raymond Lockwood	[x]	[]	[]	[]
Herb Marshall	[x]	[]	[]	[]
Gina Speno	[x]	[]	[]	[]
Joseph Runkle	[x]	[]	[]	[]

The Resolutions were thereupon duly adopted.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF CAYUGA) ss.:

I, Michelle Milewski, the undersigned Secretary of the CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Seneca County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on December 15, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 15 day of December, 2015.



Michelle Prego-Milewski
Acting Secretary

[SEAL]

